COUNTY OF MARIN

DEPARTMENT OF
HUMAN RESOURCES

Our Mission: To create a thriving organization, providing meaningful careers in public service.

Sarah Anker
INTERIM DIRECTOR

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July 19, 2022

Board of Supervisors
County of Marin
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Tentative Agreement between the County of Marin and the Marin County Management Employees Association for the term July 1, 2022 – June 30, 2025.

Dear Board Members:

RECOMMENDATION: The Human Resources Department recommends that your Board approve the tentative agreement reached between the County of Marin and the Marin County Management Employees Association (MCMEA) for a successor 3-year collective bargaining agreement for the term July 1, 2022 – June 30, 2025 and authorize the Board President to execute the Collective Bargaining Agreement.

SUMMARY: The recently negotiated 3-year successor agreement includes annual cost of living adjustments, amended health benefits to ensure affordability for represented employees and other terms that address working conditions based on your Board's priorities.

The agreed upon terms include:

Term	July 1, 2022 – June 30, 2025
Salaries (Cost of Living Adjustment):	**Year 1:** Effective the first full pay period of July 2022, or in the first full pay period following adoption of the Agreement, whichever is later, the rate of pay for all represented employees shall be increased by three and one half percent (3.5%). **Year 2:** Effective the first full pay period in July 2023, the rate of pay for all represented employees shall be increased by three percent (3.0%). **Year 3:** Effective the first full pay period in July 2024, the rate of pay for all represented employees shall be increased by three percent (3.0%).

Retention and Hard to Fill Bonuses:

1. **Hard to Fill Bonus**: When Human Resources deems a position "hard to fill", after notification to MCMEA, new employees shall be eligible for a signing bonus of $2,500-$10,000. The signing bonus shall be split and the new employee shall receive 50% of the signing bonus in the first paycheck and 50% of the bonus after successful completion of the probationary period. If the employee does not complete the first full year of employment, the employee shall reimburse the County for the signing bonus received.

"Hard to fill" generally means an approved open recruitment has been unfilled for six (6) months, or the approved recruitment needed to re-open more than once because the County was unable to hire a candidate for the opening, or the County can show a difficulty retaining employees in the classification due to salary concerns, or other similar agencies are offering a signing bonus for the classification.

2. In the event that the County provides a Hard to Fill bonus to a new employee, on a one-time basis only, and only where sufficient remaining funds exist (described in 4 below), incumbents in the same hard to fill classification shall receive up to $1200 additional dollars. (i.e. If a hard to fill bonus is provided to a new hire of $2500, the incumbents in the class would receive an additional $700, since they already received $1800 from the retention bonus. If a hard to fill bonus is provided to a new hire of $5000, the incumbents in the class would receive an additional $1200- totaling a maximum of $3000)

3. **Retention Bonus**: All-regular hire employees on the books on July 1, 2022 will receive a one-time $900 bonus in the first paycheck in August in recognition of years of service to the County. Part time employees shall receive a prorated amount based on their FTE. All-regular hire employees, except employees who have received the hard to fill bonus identified in #1 above, who are on the books on July 1, 2023 will receive a one-time $900 bonus in the first paycheck in August 2023 in recognition of years of service to the County.

4. $92,400 in one-time dollars is set aside to compensate existing employees in hard to fill classifications, as identified in section #2 above, for the term of this contract only. Any money remaining in this set-aside as of April 30, 2025 will be used for the bargaining unit as agreed to by the parties.

Equity:

Effective the first full pay period of July 2022, or in the first full pay period following adoption of the Agreement, whichever is later, the rate of pay for the classifications listed below shall be increased as follows:

Senior Librarian	2.23%
Library Services Manager	2.23%
Chief Park Ranger	0.66%
Park/Open Space Superintendent	0.66%
Office Services Supervisor	1.15%
Assessment Recording County Clerk Supervisor	1.15%
Legal Process Supervisor	4.75%
Sheriff's Legal Processing Manager	4.75%
Medical Records Supervisor	1.15%
Principal Planner	2.51%
Chief of Natural Resources	2.51%
Planning Manager	2.51%
Principal Landscape Architect	2.51%
Principal Transportation Planner	2.51%
Water Resources Manager	2.51%
Storm Water Program Administrator	2.51%
Public Works Program Manager	2.51%
Social Services Program Manager	2.67%
BHRS Division Director	2.67%
BHRS Program Manager	2.67%
Chief Investigator SIU	2.67%
Epidemiology Manager	2.67%
Medical Director-Mental Health	2.67%
Public Guardian/Conservator	2.67%
Public Health Division Director	2.67%
Public Health Program Manager	2.67%
QI Coordinator	6.94%
Social Service Division Director	2.67%
BHRS Unit Supervisor	4.39%
Eligibility Program Specialist	4.39%
Eligibility Supervisor	4.39%
Public Health Unit Supervisor	4.39%
Social Service Unit Supervisor	4.39%
Supervising Child Support Officer	4.39%
Supervising Employment Development Counselor	4.39%
Supervising Public Health Nurse	1.81%
EMS Administrator	0.59%
Nursing Services Manager	0.59%
Supervising Behavioral Health Nurse	0.59%
Supervising Reprographic Technician	1.15%
Victim/Witness Program Supervisor	0.23%
Assistant Chief Fiscal Officer - HHS	5.00%
Consumer & Community Mediation Coordinator	0.23%
Administrative Services Officer	2.70%

Administrative Services Associate	2.70%
Administrative Services Manager	2.70%
Administrative Services Technician	2.70%
Food Services Supervisor	9.96%
BHRS Peer Program Coordinator	1.32%
Senior Program Coordinator	1.32%
Veterans Services Officer	1.32%
WIC Lactation Consultant	1.32%
Associate Architect	3.00%
Capital Planning Project Manager I	3.00%
Capital Planning Project Manager II	3.00%
Capital Planning Project Manager III	3.00%
Chief of Construction	3.00%
Engineer I	3.00%
Engineer II	3.00%
Engineering Assistant	3.00%
Chief Deputy Recorder-County Clerk	9.04%
Chief Public Defender Investigator	13.68%

Health Benefits:

Regular hire employees enrolled in an employee plus one (1) or employee plus family County medical plan will receive an increased bi-weekly fringe benefit payments in calendar year 2022 as follows:

	Employee + 1 Dependent	Employee + Family
Bi-weekly Fringe – Under 75k*	690.56	934.53
Bi-weekly Fringe – Over 75k	677.66	908.74

*The annual salary threshold to determine the County's fringe benefit contributions shall be under/over $77,000 for calendar year 2023, under/over $79,000 for calendar year 2024, and under/over $85,000 for calendar year 2025.

Effective December 2022, December 2023, and December 2024, in the pay period in which there will be an increase in health insurance premiums, the County will increase the bi-weekly fringe benefit package by the same dollar amount as the Kaiser Silver plan increase, from zero percent (0%) to five percent (5%) (based on the premium increase to the Kaiser Silver plan) for benefitted employees at the employee plus one (1) and employee plus family benefit levels.

In December 2022, in addition to the above, the County will add $0.65 per pay period to the employee only, employee plus one (1) and employee plus family fringe payments.

Miscellaneous:

Job-Related License Differential:
Employees in the Civil Engineer, Senior Civil Engineer, and Principal Civil Engineer classifications and the BHRS Quality Improvement Coordination classification shall be added to the list of classifications that receive a job-related license differential of 2.0% above their base salary.

Administrative Response Compensation (ARC):
The ARC pay compensation shall be increased from $3.50 an hour to $4.50 an hour.

Overtime:
The following classifications will be added to the Overtime carveout in Section VIII. A. 4:

- Engineer I
- Engineer II
- Civil Engineer
- Senior Civil Engineer
- Capital Planning and Project Manager II

The following clauses shall be added to the Call Back provisions of the agreement:
If an overtime eligible employee is required, by their supervisor, to engage in work remotely for more than one (1) hour, they shall be guaranteed a minimum of two (2) hours at the applicable rate of pay, unless the work immediately precedes their regular shift.

For overtime exempt employees, only when they are working ARC or standby shifts, if they work more than 2 cumulative hours during the ARC/Standby shift they will receive straight time overtime for all hours worked during that shift.

Disaster Leave:
The County will approve up to three (3) working days paid administrative leave in any twelve (12) month period when the employee's primary residence located in California is rendered uninhabitable due to fire, flood, or earthquake.

Other Clean up language:
Clarification was added to clauses covering temporary promotions, bereavement and bilingual pay.

EQUITY IMPACT: This successor agreement reflects the County's commitment to equity in our work with our labor colleagues to best leverage County resources to support our employees through cost-of-living adjustments, healthcare contributions to ensure affordability and addressing other working conditions.

FISCAL IMPACT: These salary and benefit adjustments will result in incremental cost increases of $4,442,124 in FY 2022-23, $3,065,460 in FY 2023-24 and $2,662,794 in FY 2024-25. Adjusting for the one-time payments, the ongoing increase to the baseline budget is 11.60 percent of pay over the three-year agreement. Please see Addendum A which provides a more detailed fiscal impact of the proposal. Funds have been allocated by the County Administrator's Office in departmental budgets for the proposed adjustments.

The Marin County Employees' Retirement Association (MCERA) has provided an actuarial impact on future retirement costs of the pensionable increases proposed. This estimate of the long-term pension liabilities is attached, as Addendum B, for review prior to the adoption of these adjustments.

REVIEWED BY:
[X] County Administrator
[   ] Department of Finance
[   ] County Counsel
[X] Human Resources

Please let me know if you have any questions or concerns.

Respectfully submitted,

Sarah Anker
Acting Director of Human Resources

cc: Matthew Hymel, County Administrator
Josh Swedberg, Principal Management and Budget Analyst
Mina Martinovich, Interim Director of Finance
Jeff Wickman, Retirement Administrator, MCERA

Attachments: Addendum A: Costing Summary
Addendum B: Estimate of Actuarial Impact of the Salary/Benefit Increase

Marin County Management Employees' Association

Baseline Information

Current Salary Base	$	57,337,362
Current Benefit Base	$	19,347,324
Current Non-Pensionable Salary Base	$	870,214
FTE		490
1% of Salary with Variable Fringe	$	775,549
Average Base Salary	$	116,920

Incremental Cost of MOU

		FY 2022-23		FY 2023-24		FY 2024-25
Base Salary COLA*		2,006,808		1,808,938		1,834,593
		3.50%		*3.00%*		*3.00%*
Equity		925,980		-		-
		1.19%				
Wage-related fringes		402,766		363,054		368,203
Non Pensionable Wages		30,457		27,020		27,831
One-Time Retention	$	454,860	$	454,860		
Running Total Retention		*454,860*	*$*	*909,720.00*		
Health Benefits						
Allowance increase		392,041		411,588		432,167
		5.0%		*5.0%*		*5.0%*
Other						
Hard to Fill / Supplemental Retention		130,800		-		-
Administrative Response Compensation		88,411		-		-
Overtime		10,000		-		-
Total Incremental Cost	**$**	**4,442,124**	**$**	**3,065,460**	**$**	**2,662,794**
				Total Cumulative Cost	**$**	**10,170,378**
Incremental cost increase as % of Salary & Benefits		5.73%		3.81%		3.21%
Total Cumulative Ongoing Change		*5.14%*		*8.39%*		*11.60%*

MCERA

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MCERA.org

July 8, 2022

To: Matthew Hymel
County Administrator, County of Marin

From: Jeff Wickman JW
Retirement Administrator, Marin County Employees' Retirement Association

Subject: Revised Cost of Pay Adjustment Proposal for members of the Marin County Management Employee's Association (MCERA)

Background

On June 13, 2022, we provided the analysis of the proposed cost of living increases and salary equity adjustments being proposed for employees represented by the Marin County Management Employee's Association (MCMEA) that would exceed the salary growth assumption (3%) set by the Board of Retirement and used by the actuary to calculate the annual required contributions.

We are providing a revised analysis to correct two items from the original letter. Most importantly, the total dollar amount impact remains unchanged. However, that dollar amount impact was initially measured against the liability for MCERA's plan as a whole, as opposed to the liability only for the County and Special District valuation group. Because the County and Special District liability is smaller than the liability for the total plan the percentage impact created by the projected cost increases changed from 0.07% to 0.09%. However, when measured against the County and Special District funded ratio the net impact would only reduce that ratio from 106.79% to 106.70%, as opposed to the June 13, 2022 letter which showed that the 0.07% change would reduce the funded ratio from 104.50% to 104.43%.

We apologize for not recognizing this issue before providing the County with the June 13, 2022 letter. As mentioned above, the total dollar impact of the proposed pay changes remains unchanged.

Attached to this memo is Cheiron's cost analysis. This information is being provided for the Board of Supervisors as required by statute.

Cc: Sarah Anker, Human Resources Director
Angela Nicholson, Deputy CAO
Josh Swedberg, Budget Manager
Michelle Hardesty, Assistant Retirement Administrator

Via Electronic Mail

July 8, 2022

Mr. Jeff Wickman
Retirement Administrator
Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, CA 94903-2764

Re: Impact to MCERA from Salary Proposal

Dear Jeff:

Pursuant to Section 31515.5 of the California Government Code, the Retirement Administrator, on behalf of the Board of Retirement, has requested an actuarial analysis be prepared on the impact to the Marin County Employees' Retirement Association (MCERA) from a series of salary adjustments being proposed over the next three years to the Marin County Management Employee's Association (MCMEA).

The County has indicated that the following base wage and additional salary equity adjustments will be provided to the Association members, according to job classification. All MCMEA employees will receive a 3.50% base salary adjustment effective July 2022, and 3.00% adjustments in July 2023 and July 2024. The salary adjustments reflected in the first year of the contract differ from the 3.00% wage growth assumption previously adopted by MCERA.

Members of some job classifications will be eligible to receive additional salary equity adjustments. A sample of these adjustments are shown below:

- Senior Librarians and Library Services Managers will receive an additional 2.23% salary adjustment in July 2022.
- Chief Park Rangers and Park/Open Space Superintendents will receive an additional 0.66% salary adjustment in July 2022.
- Office Service Supervisors, Assessment Recording County Clerk Supervisors, and Medical Records Supervisors will receive an additional 1.15% salary adjustment in July 2022.

The data used in this study was based on the same information used in the June 30, 2021 actuarial valuation and the list of affected members provided on May 27, 2022. The benefit provisions are those disclosed in our June 30, 2021 valuation report. The assumptions and methods are also those disclosed in our June 30, 2021 valuation report, with the exception that the salary increases described on the previous page were used to project wage increases and payroll growth for these members during the period identified. These changes are expected to affect a total of 372 active employees (one of whom has multiple records) who were included in the June 30, 2021 actuarial valuation. The remaining 30 employees identified in the May 27, 2022 listing were not employed as of the June 30, 2021 measurement date and were added to the study with entry dates of July 1, 2021 for the purpose of normal cost calculations.

We have not been informed by the County of any other changes in pension-related benefits other than the salary increases described on the previous page. The County indicated that the salary adjustments would be in addition to any regular career progression salary increases members would be expected to receive.

While the salary adjustments granted for the members are unlikely to have a substantial impact on the Plan as a whole, we estimate, based on the results of the June 30, 2021 actuarial valuation, that the total impact of the salary adjustments for these members would be an increase in MCERA's Actuarial Liability of approximately $2.04 million. If we were to add the total expected impact of the salary increases to the Actuarial Liability as of June 30, 2021, it would reduce the funding ratio for Marin County by 0.09%, from 106.79% to 106.70%.

The employer contributions on behalf of the Association's members will also change as a result. The exhibit below summarizes the effect of the salary adjustments on the employer contributions over the next five years expected to be made by the County; we note that the elevated contribution amounts will continue beyond the five-year period shown below. All results shown assume that all assumptions are met exactly in the future.

Marin County Employees' Retirement Association
Impact of Marin County Management Employees' Salary Adjustments

Fiscal Year Ending	Increase in Employer Normal Cost	Increase in UAL Payment	Increase in Employer Cost
June 30, 2023	$ 153,300	$ 35,700	$ 189,000
June 30, 2024	146,000	73,400	219,400
June 30, 2025	138,400	113,200	251,600
June 30, 2026	132,800	155,000	287,800
June 30, 2027	126,000	199,100	325,100

In preparing our letter, we relied on information (some oral and some written) supplied by MCERA. This information includes, but is not limited to, the salary adjustments for the Marin County Management Employee's Association.

Future results may differ significantly from the current results presented in this letter due to such factors as the following: plan experience different from that anticipated by the assumptions; changes in assumptions; and, changes in plan provisions or applicable law.

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

This letter and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this letter. This letter does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

Finally, this letter was prepared for MCERA for the purpose described herein. Other users of this letter are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

We are available to answer any questions you may have.

Sincerely,
Cheiron

Graham A. Schmidt, ASA, EA, FCA, MAAA
Consulting Actuary

Timothy S. Doyle, ASA, EA, MAAA
Associate Actuary

cc: Bill Hallmark
Anastasia Dopko